A living wage not a minimum wage: campaigning for decent pay in the UK

Europe at a crossroads. Which way to quality jobs and prosperity?
Conference organised by the European Trade Union Confederation (ETUC) in collaboration with the European Trade Union Institute (ETUI), Brussels, 24–26 September 2014.

Professor Jane Holgate
Professor of work and employment relations
Liberal government–minimum wage

‘...It is a serious national evil that any class of His Majesty’s subjects should receive less than a living wage in return for their utmost exertions... where you have what we call sweated trades, you have no organisation, no parity of bargaining, the good employer is undercut by the bad and the bad by the worst...where these conditions prevail you have...a condition of progressive degeneration.’

Winston Churchill, 1909 then, president of the Board of Trade
Background

• Wages had always been regulated by municipalities, but in 1909 the Liberal government's Trade Boards Act created the first national system of wage regulation setting minimum wages which varied between industries.

• After 1945, the Trade Boards, now known as 'Wages Councils' extend their influence. Formerly only applicable to industries where collective bargaining was weak, they were now broader in scope.

• 1993 Wage Councils abolished by Conservative government.
Introduction of minimum wage

• Introduction of minimum wage was a key policy for Labour Party in the 1997 election.

• The UK national minimum wage came into force in 1999.

• Back then, it was just £3.60 per hour for adult workers over the age of 22 and £3.00 for those aged 18-22.

• Today the rate is £6.31 (for 21+) and £5.03 for those aged 18-20; £3.17 for under 18s and just £2.68 for apprentices.
Modern day living wage movement

- Emerged in the USA during the mid-1990s.

- In Australia, living wages enacted through the legal powers of the Australian Industrial Relations Commission

- UK living wage campaigns began in 2000 in East London—again thought a community coalition of faith and labour.
The UK living wage movement

- Began though the East London Communities Organisation (Telco)—a broad-based community coalition of faith groups, trade unions and other civil society organisations.

- Early wins at HSBC bank in Canary Wharf, London and a number of east London hospitals.

- Combination of moral arguments, citizen organising backed by academic research.
The UK living wage movement

- Calculation of a living wage is set by the Greater London Authority—is the amount needed to cover the basic living costs for a family of two adults and two children in London.
- Outside London—figure set by Loughborough University.
- London = £8.80  Outside London = £7.65
- Living wage without need for in-work benefits £9.08
Living wage campaigns

Protest outside Queen Mary, University of London in 2005
Living wage campaigns
103 – councils (27%) have adopted the living wage.

Another 38% are considering doing so.
Campaigns for the living wage
Campaigns for the living wage

House of Commons adopts living wage for more than 2200 staff and contractors June 2014
Campaigns for the living wage

Starting to influence campaigns overseas – e.g New Zealand
Concluding remarks

- Unions need to give more consideration to ‘other actors’ in the employment relationship
- Living wage campaigns have provided ‘vulnerable’ workers with a voice they previously did not have
- Desperate need to organise low paid workers —only 14% union density in the private sector
- Living wage campaigns have show that labour/community alliances can be to union advantage